

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION**

In re:	BAYSIDE CAPITAL, LLC	*	CASE NO. 10-10330
	Debtor	*	
		*	CHAPTER 11
		*	
In re:	CORNERSTONE AT GLENDALE,	*	JOINTLY ADMINISTERED
	LLC,	*	
	Debtor	*	

**RESPONSE OF SPECIALTY RESTORATION OF TEXAS, INC. TO
FIRST NATIONAL BANK'S MOTION FOR RELIEF FROM
AUTOMATIC STAY RE: FIVE TRACTS OF REAL PROPERTY**

TO THE HONORABLE U.S. BANKRUPTCY JUDGE:

NOW COMES SPECIALTY RESTORATION OF TEXAS, INC., a secured creditor ("Specialty Restoration"), and files this Response to the First National Bank's Motion For Relief From Automatic Stay, and in support thereof states as follows:

1. The First National Bank has filed a Motion for Relief from stay on five tracts of real property on South Padre Island in Cameron County, Texas (the "subject properties").

2. In August of 2008, the Debtor entered into a written agreement with Specialty Restoration for the repair of certain improvements located on the subject properties which were damaged by a storm on or about July 23, 2008. Specialty Restoration performed the repair work in or about August of 2008.

3. Despite numerous demands, the Debtor failed to pay Specialty Restoration for the work done and materials furnished on the subject properties. Consequently, in December, 2008, Specialty Restoration filed Affidavits claiming Mechanic's and Materialman's Liens on each of the subject properties. Copies of those Lien Affidavits are attached hereto and incorporated herein by reference.

4. As of the date of Debtor's petition, the balance due and owing to Specialty Restoration on each of the properties was as follows:

A. Lot Number One (1), Block Number Forty-six (46), Padre Beach Section IV, in the Town of South Padre Island, Cameron Count, Texas according to the replat recorded

in Cabinet 1, Slot 2480-A, Map Records, Cameron County, Texas.

Lien amount: \$61,034.31

- B. Tract I: Lot One (1), Blocks Fifty-One (51) and Fifty-two (52), Padre Beach Section IV, a subdivision of the town of South Padre Island, Cameron County, Texas according to the map or plat thereof recorded in Cabinet I, Slot 1610-B, Map Records, Cameron County, Texas;

Tract II: Lot Eight (8), Block Fifty-seven (57), Padre Beach Subdivision, Section V, a subdivision in the town of South Padre Island, Cameron County, Texas, according to the map or plat thereof recorded in Volume 14, Page 68, Map Records, Cameron County, Texas.

Lien amount: \$2,370.68

- C. Lots Five(5) and Six (6), Block Fifty-two (52), Padre Beach Section V, Town of South Padre Island, Cameron County, Texas according to map thereof recorded in Volume 14, Page 68, Map Records of Cameron County, Texas.

Lien amount: \$70,758.42

- D. Tract I: Lots One (1) and Two (2), Three(3), Five (5), Six (6), Seven (7), Eight (8), and Nine (9), Block Forth-five (45), Padre Beach Section IV, a subdivision in the town of South Padre Island, Cameron County, Texas according to the map or plat thereof recorded in Volume 14, Page 52, Map Records, Cameron County, Texas;

Tract II: Lot One (1) of the replat of Lots One (1), Two (2), and Three (3), Block Forty-four (44), Padre Beach Section IV, a subdivision in the town of South Padre Island, Cameron County, Texas according to the map or plat thereof recorded in Cabinet I, Slot 1169-B, Map Records, Cameron County, Texas;

Tract III: Lot Five (5), Block Fifty-one (51), Padre Beach Section IV, a subdivision in the town of South Padre Island, Cameron County, Texas according to map or plat thereof recorded in Volume 14, Page 52, Map Records of Cameron County, Texas;

Tract IV: Lots One (1), Two (2) and Three (3), Block Fifty-seven (57), and Lots Eleven (11) and Twelve (12), Block Sixty (60), Padre Beach Section V, a subdivision

of the town of South Padre Island, Cameron County, Texas according to map or plat thereof recorded in Volume 14, Page 68, Map Records of Cameron County, Texas;
Lien amount: \$62,521.77

5. Pursuant to the provisions of Section 53.123 of the Texas Property Code, Specialty Restoration's liens are superior to that of the First National Bank. Specialty Restoration requests that if the Court modifies the stay to allow the First National Bank to foreclose its lien on the subject properties, that the stay also be modified as to Specialty Restoration to allow Specialty Restoration to foreclose its mechanics and materialman's liens.

WHEREFORE, Movant prays that the Court grant Specialty Restoration the relief requested herein, and grant Specialty Restoration such other and further relief to which it may be justly entitled.

Respectfully submitted,

PAKIS GIOTES PAGE & BURLESON, P.C.

/s/ David C. Alford
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached Agreed Motion to Lift Stay was served on the following parties by electronic means as listed on the Court's ECF noticing system or by regular first-class mail on this 22nd day of June, 2010:

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Carefree, AZ 85377

Debtor

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Attorney for Zeev Tafel

/s/ David C. Alford
David C. Alford

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